

# Trendlines

March/April 2007

*Perspectives on Utah's Economy*

## Worth Its Weight in Gold

*Dynamic new data provides a more detailed picture of Utah's economy*

### It Pays to be Older

Are earnings for Utah's older age groups higher than other states?

### Women in Utah

Where are the gender wage gaps?

### Retirement Crunch?

It may occur with barely a whisper

### Boomers Retiring

A tight labor market could feel the pinch



## ***Trendlines***

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# **Trendlines**

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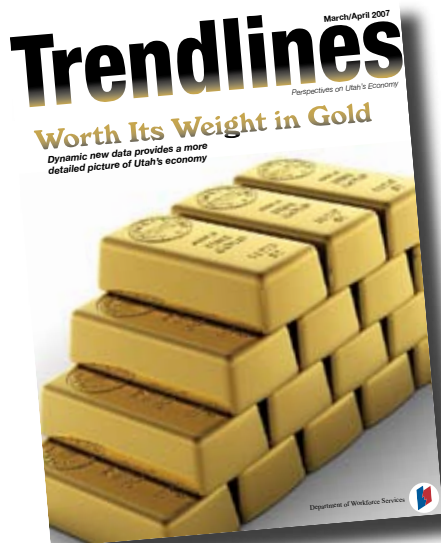
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# Local Employment Dynamics (LED) Data Issue

March/April 2007

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# What is LED?

## *Local Employment Dynamics Explained; It's Like Opening Another Gold Mine!*

There's a new kid in town! All right, it's not a kid—it's economic data. But it is new, and to us economists, it's exciting! It's called Local Employment Dynamics (LED) and is produced by the United States Census Bureau. This program is actually a collaboration between participating states and the Census Bureau. The Census Bureau does the number crunching and puts out the final product.

Job counts for each state are generated from each state's unemployment insurance (UI) program. You may recognize this system as the one that offers unemployment benefits to people who have been laid off from a recent job. Employers provide this information, and jobs are counted by summing all employment across all employers.

Most state UI laws only require that employers provide a name, social security number, and total wages earned by each worker during the quarter. What is not supplied is other economically useful information, like occupational title, an hourly wage rate, number of hours worked, age, gender—just to name a few. The new LED program fills in some of those blanks.

Through the decennial census, the Census Bureau can provide people's age and gender. Combine the various states' UI data with the Census Bureau information, and analysts can get a more clear employment profile for each state. How many females are employed? In what industries do they have a strong presence? What industries hire a lot of teens? What are turnover rates in various industries—by gender and by age?

These are just some of the questions that can now be answered with the new LED data. This issue of Trendlines is dedicated to Utah's recent participation in this program and the new data mine now available. If you can't tell, we're excited.

For more information go to <http://lehd.dsd.census.gov/led/index.html> and click on "QWI Online."

# UTAH'S CURRENT EXPANSION HAS PASSED ITS PEAK

As has been the case for more than two years, all employment sectors in Utah continue to add new jobs. This ranges from 13,400 new jobs in construction over the past year to 1,100 new jobs in the small sector called "other services." The point to note, though, is that the rate of growth is starting to recede. Prior to this point, employment growth had been expanding since mid-2003. This signals that, in terms of the rate of employment growth, we have reached and surpassed the top of the business cycle. Growth from here forward will continue to occur, but at a diminishing pace.

The slowing of the economy is just beginning to happen, and is really centered upon two industries—construction and trade. Ironically, these are the two industries that have been leading the economic expansion, and remain two sectors that have added many new jobs over the past year. But, the rate of their employment growth has peaked and is moderating.

It's not that businesses in these two sectors are turning sour on Utah and its economic outlook. Instead, the problem (if it's fair to even call it a problem) is coming from the labor force—namely, not enough workers. With an unemployment rate of 2.6 percent, there aren't enough workers to supply an economy that wants to grow fast.

As Utah's economic growth slows, it won't feel any slower; at least not to the worker or business person on the street. They wouldn't even know things are slowing without a monthly publishing of economic conditions posted in the newspapers. Jobs will still be available, and in some cases remain vacant. Wage growth pressures will remain in place.

As the rate of employment growth slows, the unemployment rate will remain low. Even if it rises to 3.5 percent, it will remain a tight labor market. This economist is looking for an unemployment rate of 4 percent and moving higher before I feel that the current Utah economic situation has changed its face—that a sour mood from consumers or businesses is now the slowing factor upon the economy, not a lack of workers. ●

To follow the latest economic events:  
<http://jobs.utah.gov/wi/press/tlextra/tlextracurrent.asp>



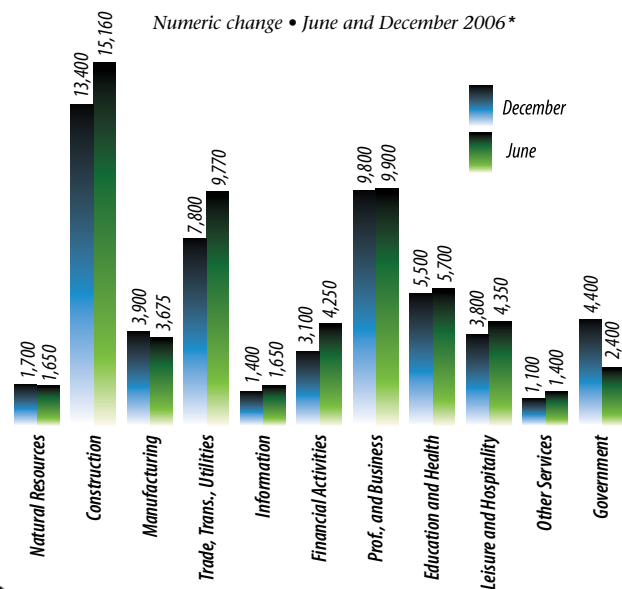


# ION



## Utah Nonfarm Job Growth

Numeric change • June and December 2006\*



Source: Utah Department of Workforce Services

\*Note: This is year-over change; June 2005-2006, December 2005-2006

## Did you know...

Southern Utah's booming economy is producing more than profit for various business owners — it's also creating a serious shortage of qualified employees.

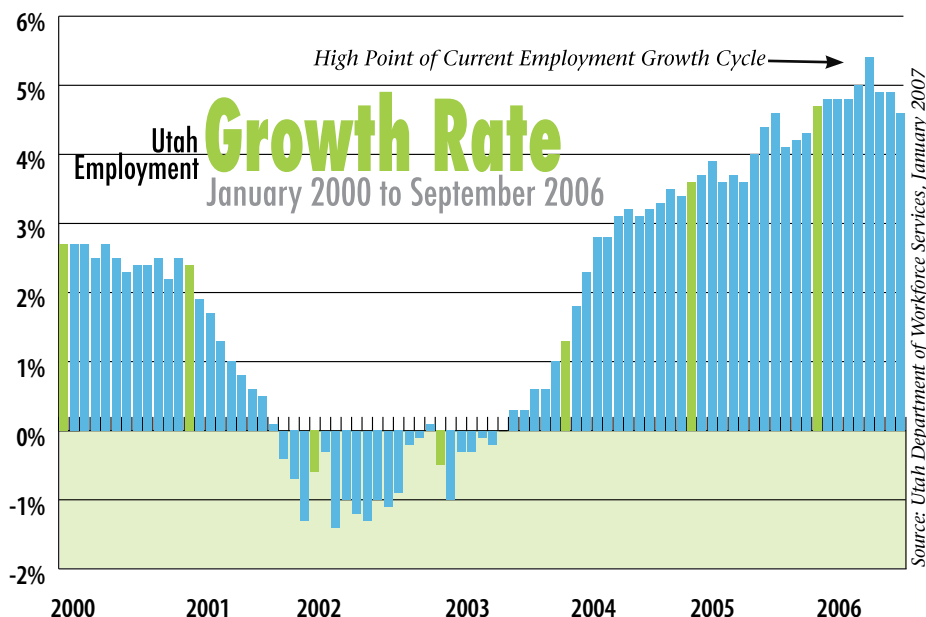
<http://deseretnews.com/dn/view/0,1249,650221933,00.html>

Strong job growth and the soon-to-be-demolished Key Bank Tower downtown pushed office vacancies in Salt Lake County down to 10.3 percent.

<http://deseretnews.com/dn/view/0,1249,650219879,00.html>

The apartment vacancy rate for the greater Salt Lake area fell to its lowest point in more than five years.

<http://deseretnews.com/dn/view/0,1249,650223806,00.html>



How

# Frothy

is YOUR Labor Market?

*Workers who continually move from job to job are the “froth” of the local labor market*

Changing jobs is a fact of life today. On any given day hundreds of people throughout the state are leaving their jobs to take new positions. However, not all job churn in the labor market is created equally. While many workers will go through a short turnover stint as they transition from one long-term job to another, others will have a lengthier turnover stay. These workers are constantly moving from job to job, never setting down roots. In a picture, thanks to their continuous job-hopping, these workers rise to the top of the labor market much like the froth that forms when one pours root beer in a mug.

Measuring these frothy workers has been the source of much frustration. Since these workers are constantly popping in and out of jobs they disappear from nearly all of our existing data sources. Luckily, new data available from the Local Employment Dynamics (LED) program of the U.S. Census Bureau allows us to peer into the world of job churn and separate turnover into and out of stable jobs (which another article in this edition will touch on) from the froth.

Based on our calculations, an average of 19 percent of all people who held jobs in Utah in 2005 were frothy workers—that is, their tenure at a given employer never lasted more than three months. Beyond this general level of frothiness, individual industries exhibit their own pictures of froth. Not surprisingly, in 2005 the industry sector with the highest level of froth was administrative and support services—which includes temporary employment services—where roughly 36 percent of all workers were froth. Other industries with high levels of froth include arts and recreation, accommodation and food services, and agriculture. On the other end of the spectrum, utilities had the smallest number of frothy workers, with a 2005 average of 3 percent.





*Industries with the highest level of froth included administrative and support services, arts and recreation, and food services.*

Around the state, the level of frothy workers varied greatly from county to county. In general, smaller counties and counties that depend on high-froth industries—like tourism or construction—had higher levels of froth. Emblematic of this trend were Rich, Daggett, and Grand counties who were the top three counties in overall levels of froth. As a counterpoint, Emery County, heavy with utilities employment, had one of the lowest amounts of froth. Diversified economies, like Salt Lake, appear to group around the statewide average, while counties with single-industry economies tend to go where that industry pulls them.

Now, being a part of the froth isn't necessarily bad, but it isn't costless. For a frothy worker there is little chance of receiving higher wages or training, since their tenure with any one firm is quite short. On the other side of the equation, for employers these workers may be less productive as they have had much less time to learn their job (although, they may gain from paying these workers less, so that cost may be offset somewhat). As with all things, there are costs and benefits. ①

Percentage of Frothy Workers by Industry (Statewide) 2005		
Industry	Annual Average	Rank
Administrative and Support and Waste Management and Remediation Services	36%	1
Agriculture, Forestry, Fishing and Hunting	35%	2
Accommodation and Food Services	31%	3
Arts, Entertainment, and Recreation	30%	4
Construction	29%	5
Wholesale Trade	11%	15
Management of Companies and Enterprises	10%	16
Public Administration	8%	17
Manufacturing	8%	18
Finance and Insurance	8%	19
Utilities	3%	20
All NAICS Sectors	19%	

Source: Author's calculations based on LED data from U.S. Census Bureau

### Percentage of Frothy Workers by County • 2005

County	Annual Average	Rank	Wayne	22%	10	Piute	20%	20
Rich	33%	1	Iron	22%	11	Davis	19%	21
Daggett	30%	2	Duchesne	22%	12	Cache	17%	22
Grand	29%	3	Utah	21%	13	Emery	17%	23
Kane	26%	4	Wasatch	21%	14	Salt Lake	17%	24
Uintah	25%	5	Carbon	20%	15	Weber	17%	25
Juab	23%	6	Garfield	20%	16	Millard	17%	26
San Juan	23%	7	Sevier	20%	17	Sanpete	16%	27
Summit	23%	8	Tooele	20%	18	Beaver	16%	28
Washington	23%	9	Morgan	20%	19	Box Elder	14%	29
						Statewide	19%	

Source: Author's calculations based on LED data from U.S. Census Bureau

# Labor Turnover

Rates for  
Utah

*A firm can compare turnover experiences to find out if their employee policies differ from others within the industry.*

LED, or Local Employment Dynamics, is a new tool to describe the labor market. LED has many uses and, in many cases, is the sole source for important information about jobs and industries and their interaction. One aspect or dimension of LED that employers have tried to get a handle on is "turnover." LED provides the data to determine critical measures important to employers, namely the oft-illusionary measure of the hiring and separating of employees.

## ***Why is Turnover Important?***

From a business perspective, hires and separations from the firm's workforce indicate the success of the business's policies of employee retention. Since payroll is typically one, if not the, largest component of the costs of doing business, the level of employee turnover can have a big impact upon the costs of recruiting, hiring, and training workers. If the LED turnover data can give an indicator of the average turnover rate for the industry and/or area, a firm can compare their experience with the industry, to see if employee policies (pay, benefits, etc.) differ from those of their industry. It's all about the costs of doing business and being competitive in the market.

## ***Turnover Rates by Industry***

Although LED will provide age and gender characteristics of workers (within the context of turnover), we are going to deal with basic turnover by industry. First of all, what is the definition of turnover? In LED lingo it's about accessions, separations, and total employment. The turnover rate is calculated

by dividing the average of accessions (hires) plus separations, by total stable employment.

The graph shows turnover rates for the most recent quarter of information available, third quarter (July, August, and September) of 2005. The turnover rate, expressed as a ratio or percent, for Utah was 12.5 percent. Roughly speaking, that means that the average number of workers hired and separated was 12.5 percent of the total employment. Some industries in the throes of a hiring frenzy, or laying off will have higher ratios. The graph ranks the major industry sectors in Utah by their turnover rates. Utilities experienced the lowest of rates with 3.6 percent, and the administrative support and waste management services industry was the highest with a rate of 22.9 percent.

Remember the state average was 12.5 percent. If you think about the nature of each of the industries in the chart, you would expect stable industries, like utilities, government and manufacturing, to have lower rates. On the other hand, rates will be higher in industries that have high growth, or volatility, or volume of employment, like construction and retail trade.

LED has much more data available on turnover and other labor market data. This new source of characteristic information is indeed a mother lode of yet unmined knowledge about Utah's economy. ⓘ

For a link to the LED internet site see  
<http://lehd.dsd.census.gov/led/index.html>



20%

## Turnover Rates

by Major Industry Sector  
Third Quarter 2005

15%

10%

5%

Utilities  
Public Administration  
Educational Services  
Wholesale Trade  
Management of Companies  
Manufacturing  
Healthcare  
Finance & Insurance  
Mining  
Information  
Professional & Business Services  
STATE AVERAGE\*  
Real Estate & Rental & Leasing  
Retail Trade  
Transportation & Warehousing  
Other Services  
Construction  
Agriculture  
Arts, Entertainment & Recreation  
Accommodation & Food Services  
Admin & Support & Waste Mgt. Serv.

*High turnover  
rate? LED data  
may be able to  
help.*

# It Pays to be Older

*Earnings of Utah's older age groups are much closer to, and in many cases higher than, other states.*

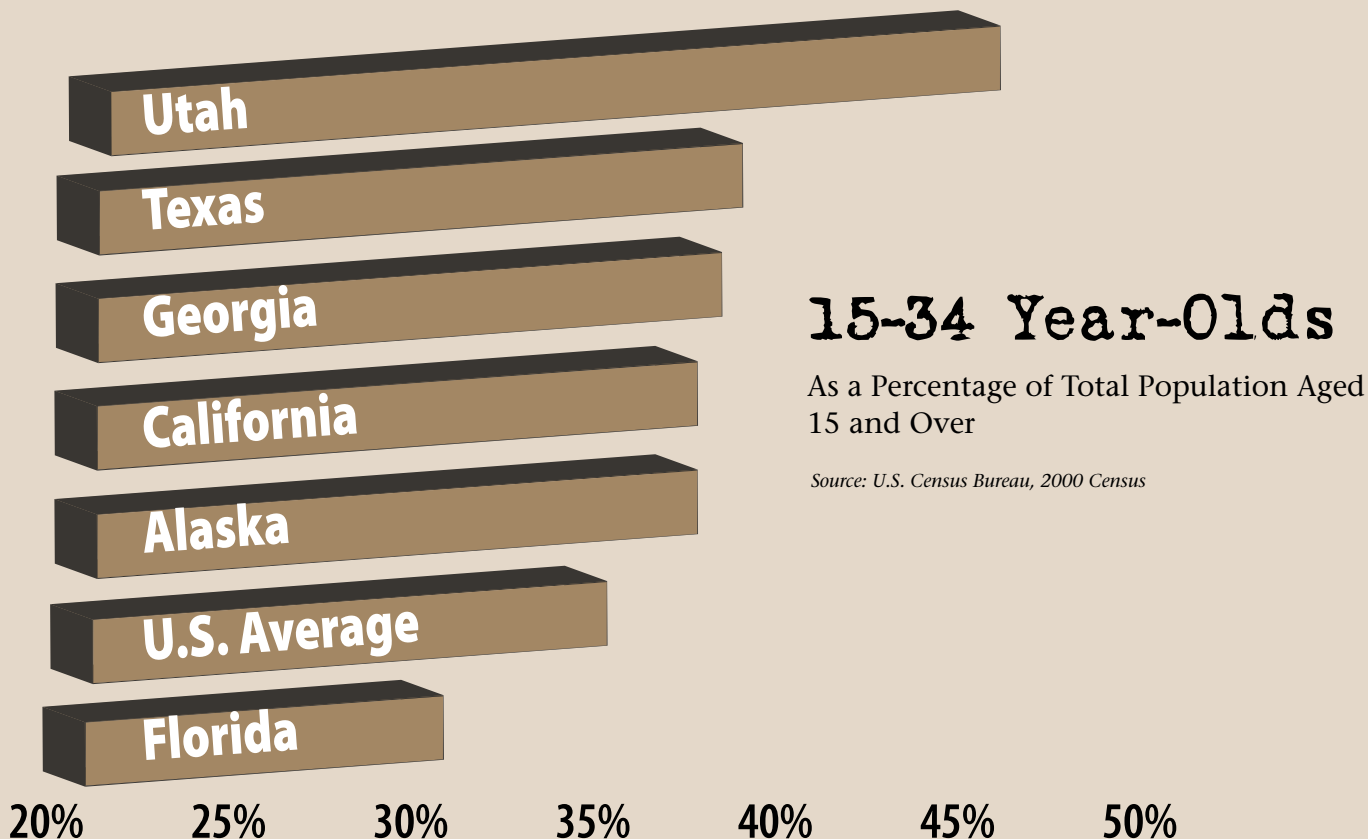
**W**ages are one of the variables that can be illuminated with the new Local Employment Dynamics (LED) data. Wage levels seem to draw a lot of attention in Utah, for the dual reason that wages are how most of us make a living, and much talk surrounds the statistics that suggest Utah's wage levels are much lower than national wage levels.

It's true that Utah's wage levels are lower than the national average, but how much lower is grossly overstated. No adjustments are made in these calculations between full-time and part-time employment—and Utah has the nation's highest rate of part-time employment. Also, no adjustments are made for age. Utah's labor force is the nation's youngest, and we all know that older workers make more money than younger workers. So naturally Utah's wages are going to compare lower. It's because we're younger, not poorer.

The new benefit of the LED data is that it allows us to dissect wages earned among different age groups. This reveals more insightful information. When Utah's data is compared against many other states', a pattern develops that shows earnings in Utah's younger age groups are generally below other states. However, the earnings of Utah's older age groups are much closer to, and in many cases higher than, other states. If you understand Utah's composition, the nation's composition, and how the market works, this actually all makes sense.

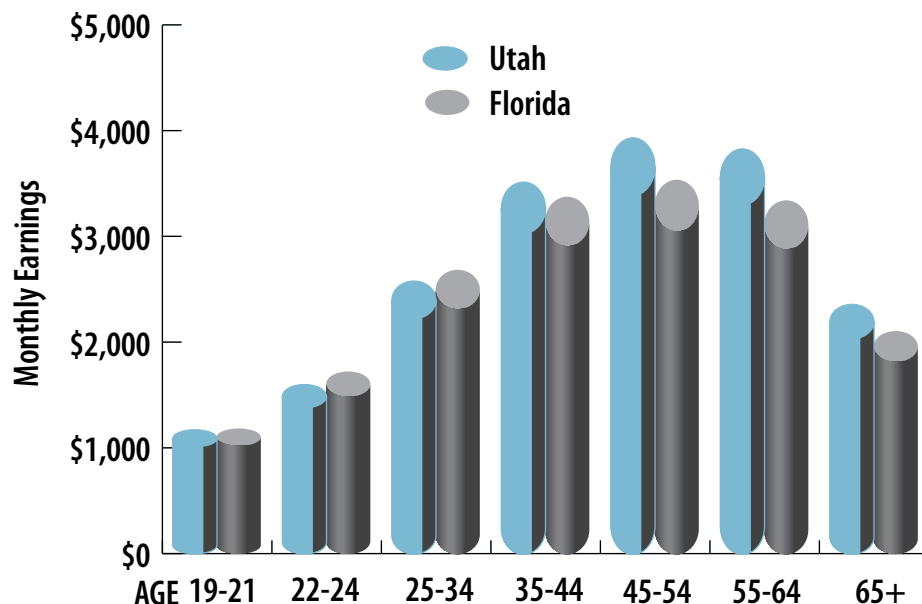
A quick economics lesson: If you have an excess of workers, businesses don't have to bid (wages) as high for those workers' services. Conversely, a shortage of workers produces an upward bidding process (offering higher wages). In Utah, we have an excess of young workers and a smaller pool of older workers. Therefore, following the logic of our economics lesson, Utah businesses don't have to offer as high a wage as many other states to lure young workers. Utah has them in excess. But as for older workers, Utah businesses have to pay more competitively for their services, because they are a less-abundant commodity in this state. ①





## Average Monthly Earnings by Age Group

Average Between  
Fourth Quarter 2004 and  
Third Quarter 2005

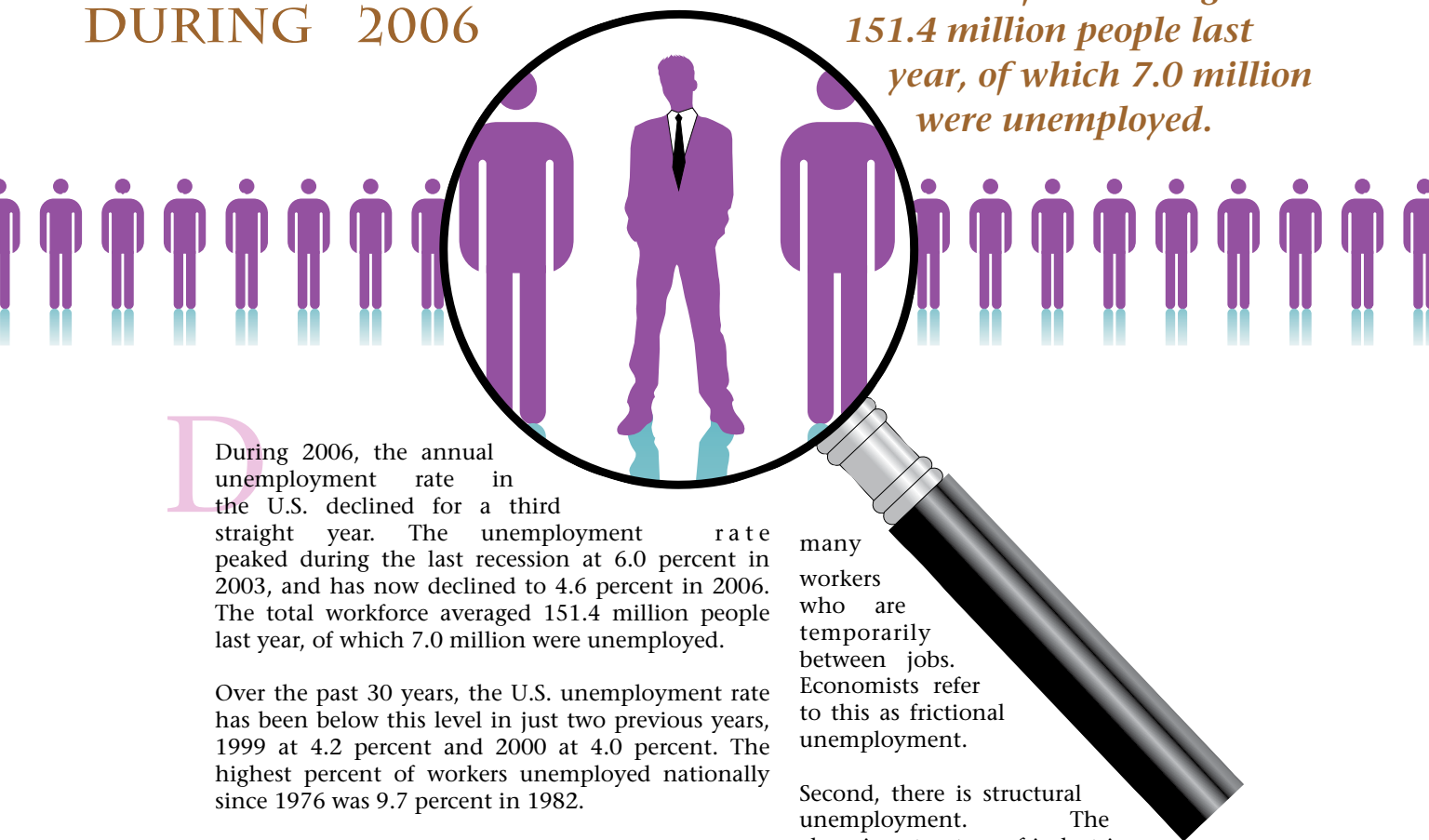


Florida is used for comparison as its  
population age composition is largely the  
opposite of Utah's.

Source: U.S. Census Bureau, LED data

# FEW U.S. WORKERS UNEMPLOYED DURING 2006

*The total workforce averaged 151.4 million people last year, of which 7.0 million were unemployed.*



During 2006, the annual unemployment rate in the U.S. declined for a third straight year. The unemployment rate peaked during the last recession at 6.0 percent in 2003, and has now declined to 4.6 percent in 2006. The total workforce averaged 151.4 million people last year, of which 7.0 million were unemployed.

Over the past 30 years, the U.S. unemployment rate has been below this level in just two previous years, 1999 at 4.2 percent and 2000 at 4.0 percent. The highest percent of workers unemployed nationally since 1976 was 9.7 percent in 1982.

With job opportunities relatively plentiful and unemployment low at 4.6 percent, many economists characterize the labor market as being close to full employment. To the person on the street the question arises, how can any level of unemployment be considered full employment? Why does unemployment persist in a strong economy when cyclical unemployment, occurring as a result of the business cycle, is in essence zero?

In a dynamic, expanding economy there are types of unemployment that are considered natural, in that some level of unemployment will always and necessarily exist. First, there is unemployment due to normal turnover of people moving in and out of the labor market as a result of educational, lifestyle, or occupational choices. Students graduate and become new entrants to the labor force. People change their career direction in pursuit of a more fulfilling or lucrative occupation. In the best economy, there are

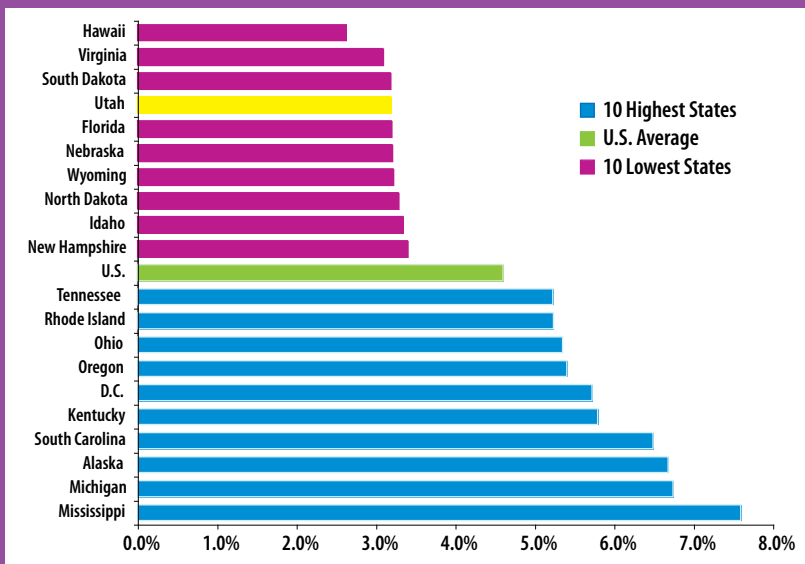
many workers who are temporarily between jobs. Economists refer to this as frictional unemployment.

Second, there is structural unemployment. The changing structure of industries by technology, automation, and changing consumer tastes results in jobs being lost in some areas or occupations and expanding in others. In a vibrant economy there is an imperfect match between the skills expanding industries need and the skills of the labor force. There are also industries with pronounced seasonal work, such as construction, retail trade, and recreation, with substantially higher and lower demands at different times during the year.

In 2006, there were ten states with unemployment rates below 3.5 percent. Utah was one of five states with an average unemployment rate last year of 3.2 percent. Only two states had lower unemployment, Virginia at 3.1 percent and Hawaii at 2.6 percent. The labor force in all ten of these states would be considered fully employed, with many businesses experiencing labor shortages. ⓘ

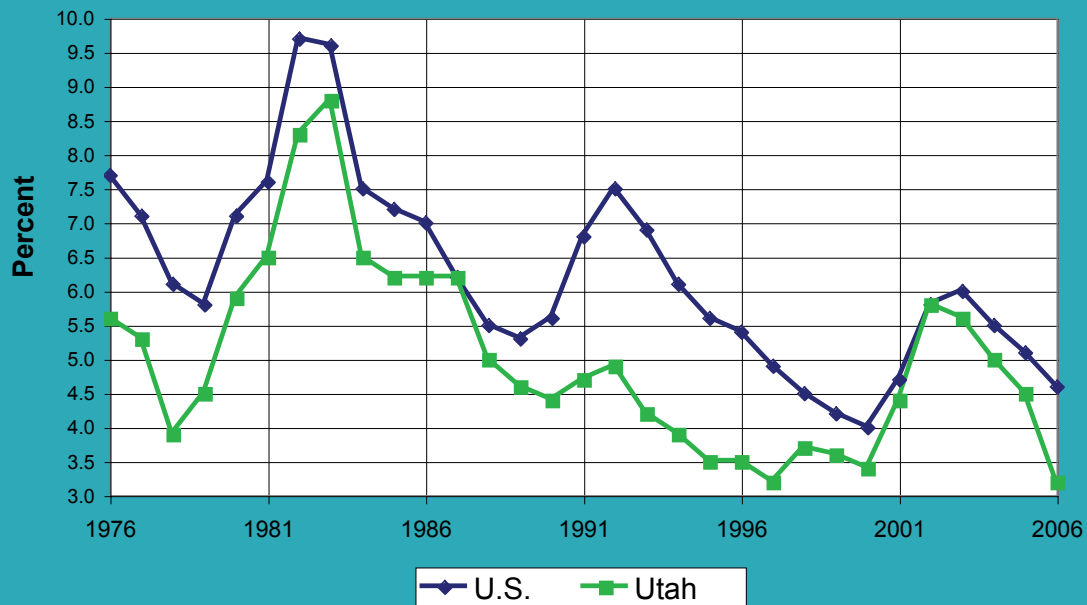


# UNEMPLOYMENT RATES FOR SELECTED STATES • 2006



Source: U.S. Bureau of Labor Statistics.

## A N N U A L UNEMPLOYMENT RATE 1976 TO 2006



Source: U.S. Bureau of Labor Statistics.

# Teachers

A broad variety of opportunities, above average pay, and the chance to make a difference



**A**re you creative? Do you enjoy helping and motivating others? If so, a career as a teacher might be the right fit for you. This occupation offers a broad variety of opportunities, above average pay, and the chance to make a difference in the lives of students. Teachers use their communication, research and organizational skills to present diverse subjects, and are increasingly called upon to participate in administrative functions such as budgeting and policy development. According to the U.S. Bureau of Labor Statistics, the job outlook for teachers is expected to be excellent during the next ten years, and depends greatly on the subject taught and geographical area.

Teachers work with students both as a group and individually, and facilitate learning through discussions, hands-on activities, group projects, and presentations. They plan lessons, administer tests, and continually assess students' abilities. From introducing basic concepts to preschoolers to teaching complex mathematics to high school students, teachers help students develop the critical thinking and problem solving skills they need to succeed. Secondary school teachers are expected to have a lot of job openings. These teachers prepare students for college level courses or the workplace, and specialize in a particular subject such as English, mathematics, biology, history or a foreign language. Secondary vocational education teachers train students to work in a variety of fields such as healthcare, auto repair, and technology. To meet employers' changing needs, they develop partnerships with businesses to design curriculum and provide internships.

As technology and demographics change, teachers must continually update their skills. Computers now play a significant role in instruction, and teachers must understand how to use the Internet and computer software to promote interactive learning. Teachers also use computers to record grades and perform other administrative functions. With growing minority populations, teachers must work with students from diverse social, ethnic and religious backgrounds. Discipline problems and students for whom English is a second language make teaching challenging, while seeing students develop new skills and understand a subject can be very rewarding.

In all 50 states, teachers must have a bachelor's degree, complete an approved teacher-training program, and be licensed. To ease a teaching shortage, many states are now allowing those without a degree in teaching to instruct in the subject they have degree in, provided they complete a short training program. Job prospects are expected to be best for bilingual teachers and in rural areas, inner cities, and in high-demand

subjects such as chemistry and physics. Many job openings will result from teachers retiring and population growth in some areas of the country. Check out the graph to see wage rates for a variety of teaching occupations in Utah. ⓘ

For more information:

<http://jobs.utah.gov/jsp/wi/utalmis/gotoOccinfo.do> Career Spotlight



*Teachers must have a bachelor's degree, complete an approved teacher-training program, and be licensed.*

## Selected Teaching Occupations and Wages

Average Utah Annual Wage



Utah Department of Workforce Services. Published May 2006 (May 2005 data).

RETIREMENT

# CRUNCH?

## HUMBUG!

*For Utah this transition is likely to occur with barely a whisper, yet a surprisingly large number of industries have a higher share of older workers.*

Much ink has been spilled in newspapers and magazines across the nation warning of the coming wave of baby boomer retirements. Some writers talk about this transition of the nation's workforce in almost apocalyptic terms. Others, perhaps more in tune with current trends, agree that this transition will have costs—loss of institutional knowledge, possible recruitment hardships for positions not in vogue with younger workers, etc.—but as with other ups and downs in the nation's economic history, this wave shall also pass and the economy will keep chugging along. What will the true effect be? Well, it will likely be somewhere between those two extremes, depending on where you are in the country and the industry in which you happen to work.

For Utah as a whole, this transition is likely to occur with barely a whisper. With one of the highest fertility rates in the nation and the





youngest workforce, the state will have plenty of young workers to fill positions vacated by retiring baby boomers. To put that in perspective with numbers, in Utah in 2005 only 10 percent of workers were between the ages of 55 and 64. On top of that, only an additional 3 percent were older than the age of 65. Without question, in terms of the overall state labor market, there will be plenty of labor to go around.

The picture, however, gets a little—just a little—murkier when we look at the same data at the industry level. There are 110 industries in Utah where the 55-to 64-year-old workers have a higher share of employment than the statewide average of 10 percent. Admittedly, there is little employment

in many of these industries, but some of them are very important to the state. Of those, the most glaring example is education. Workers aged 55 years and older make up: 23 percent of elementary and secondary school employment; 22.3 percent of college, university, and professional school employment; and 25.1 percent of junior college employment (ordered in number of workers). Another sector affected is public administration, where five industries with significant numbers of jobs have workers over the age of 55 making up between 18.3 and 21.6 percent of total employment. Both of these industries are important, though not in vogue with many younger workers due to lagging wages and a lack, unfortunately, of social prestige. These are two industry areas

that the state will likely need to focus on in the coming transition.

When we peer a little closer into the data we see that geography also matters in terms of worker age distribution. Rural areas tend to have larger shares of older workers than urban areas—although there are some notable exceptions like Uintah and Iron counties. For the state's rural counties this transition of the workforce may be more painful. Urban areas, on the other hand, with their ability to attract younger workers from rural areas and migrants from outside the state, will likely fare much better. The Baby Boomers will retire at some point—we hope, for their sakes!—but Utah's economy will surely adapt. 🕒

### Age Distribution by IMPACTED INDUSTRIES (Utah, 2005 Annual Average)

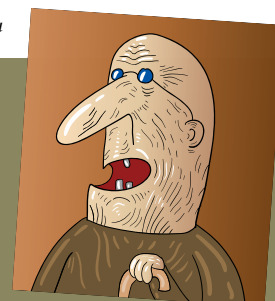
Industry	Age 55-64	Age 65-99	Combined
	Percent of Stable Workers	Percent of Stable Workers	Percent of Stable Workers
All industry groups	9.8%	2.6%	12.4%
Urban Transit Systems	23.5%	3.2%	26.7%
Junior Colleges	19.6%	5.5%	25.1%
Elementary and Secondary Schools	19.6%	3.4%	23.0%
Colleges, Universities, and Professional Schools	18.2%	4.1%	22.3%
Administration of Human Resource Programs	18.8%	2.8%	21.6%
Executive, Legislative, and Other General Government Support	15.3%	4.8%	20.1%
Administration of Economic Programs	16.7%	2.8%	19.5%
Administration of Environmental Quality Programs	16.7%	2.7%	19.4%
Justice, Public Order, and Safety Activities	15.1%	3.2%	18.3%
Electric Power Generation, Transmission and Distribution	17.2%	0.8%	18.0%
Aerospace Product and Parts Manufacturing	14.6%	1.1%	15.7%

Source: LED Data, U.S. Census Bureau

### AGE DISTRIBUTION of Workers (2005 Annual Average)

County	Age 55-64		Age 65-99	
	Percent of Stable Workers	Rank	Percent of Stable Workers	Rank
Piute	17.4%	1	4.1%	5
Daggett	15.1%	2	8.5%	1
Kane	14.6%	3	4.3%	4
Salt Lake	10.1%	20	2.5%	23
Iron	10.0%	21	2.7%	19
Uintah	10.0%	22	2.5%	24
Utah	8.7%	27	2.2%	27
Cache	8.6%	28	2.1%	28
Summit	8.2%	29	2.3%	26
Statewide	10%		3%	

Source: LED Data, U.S. Census Bureau



## *Can the Labor Market Get Even Tighter?*

*Non-Urban  
Areas May be  
at Risk from  
Baby-Boomer  
Retirements*

# Boomers

### **GRAYING BABY BOOMERS**

In 2006, the first Baby Boomers turned 60 years old. Some have already retired, and retirement looms for many more. The psychedelic child is now facing the golden years. Yes, “the times, they are a-changin’.”

Just as this huge cohort has dominated the demographics of the labor market since they entered it, they could create a large vacuum as they leave it. Baby Boomers make up the backbone of many occupations in healthcare, education, and government. If Baby Boomers choose to retire like their elders, an already tight labor market could really feel the pinch.

### **WE'RE YOUNG, BUT...**

Utah's population ranks as the youngest in the nation. However, while urban areas with their young populations may sail easily through baby boomer retirements, non-urban counties are at greater risk. With current unemployment rates below the 3-percent mark in many less-populated areas, could the labor market get even tighter in the future?

Populations outside the Wasatch Front tend to be older than their urban counterparts. For example, the 15 oldest counties in Utah based on median age are off the Wasatch Front. Off-the-Front counties with the youngest populations typically include a dominant college or university—such as Cache, Iron, and Sanpete counties. Does the same hold true for the workforce?

### **LESS POPULATION, MORE RISK**

Are less-urbanized labor markets at more risk from retiring Baby Boomers? Thanks to data from the Local Employment Dynamics (LED) program, we

can easily answer that question with a resounding “yes.” Statewide, roughly 12 percent of workers are 55 years or older. However, several less-populated counties—Daggett, Piute, Garfield—have shares of older workers almost double that rate. No Wasatch-Front county shows an older-worker share above the state average.

Interestingly, Sanpete and San Juan counties both show relatively low median ages, but high shares of older workers. Iron, Uintah, Cache and Summit counties are the only non-Front counties to show older-worker shares equal to or below the statewide average.

### **THE GOOD NEWS**

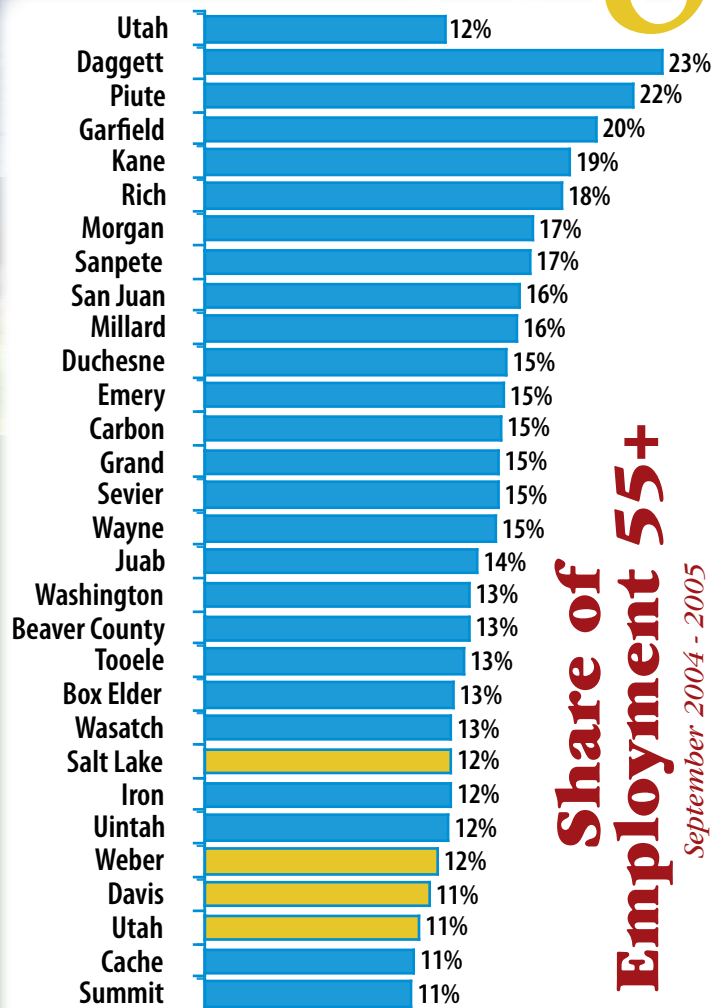
Is there some good news? A remarkable number of folks are working past the age of 65. LED data suggests that in 2005, 27,000 Utah workers were 65 and older. A large portion of Baby Boomers—a group which has tended to live life its own way—have indicated that they would prefer to work into those golden years. However, they do want to ease back the level of their labor force participation.

There's statistical writing on the wall. Now is the time for employers to start building more flexibility into work schedules if they want to retain the services of their baby boomer workers in the future and avoid an ever-tightening labor pool. Since most less-urbanized counties have older workforces, they may have the opportunity to deal with these issues sooner rather than later. ●

*For more information about the age of your industry and county's workforce, see:*

*<http://lehd.dsd.census.gov/led/datatools/qwiapp.html>*

# Retiring



**Share of  
Employment 55+**  
September 2004 - 2005

Source: U.S. Census Bureau; LEHD Program

*If baby boomers choose to retire like their elders, an already tight labor market could really feel the pinch.*



# Women in Utah Industry

Government data collectors such as the Bureau of Labor Statistics (BLS) and the Census Bureau have, for many years, gathered information that has given us a reasonable view of the female labor force in Utah. These sources provide a picture of such things as the number of women working outside the home and the types of occupations in which they are employed. Up until now, however, very little was known about which industries employ Utah women; Local Employment Dynamics (LED), a marriage of BLS and Census data, fills that void.

Focusing on stable jobs only (jobs held by an individual for at least three consecutive quarters), the healthcare industry was the largest employer of Utah women in 2005; educational services and retail trade were second and third, respectively. These results are certainly not surprising as many pink collar occupations (e.g. nurses and teachers) are heavily represented in these industries. While

jobs in healthcare and educational services paid women more than the average female wage for Utah in 2005 (which is about \$2,100 per month), retail trade wages were 26 percent below that average.

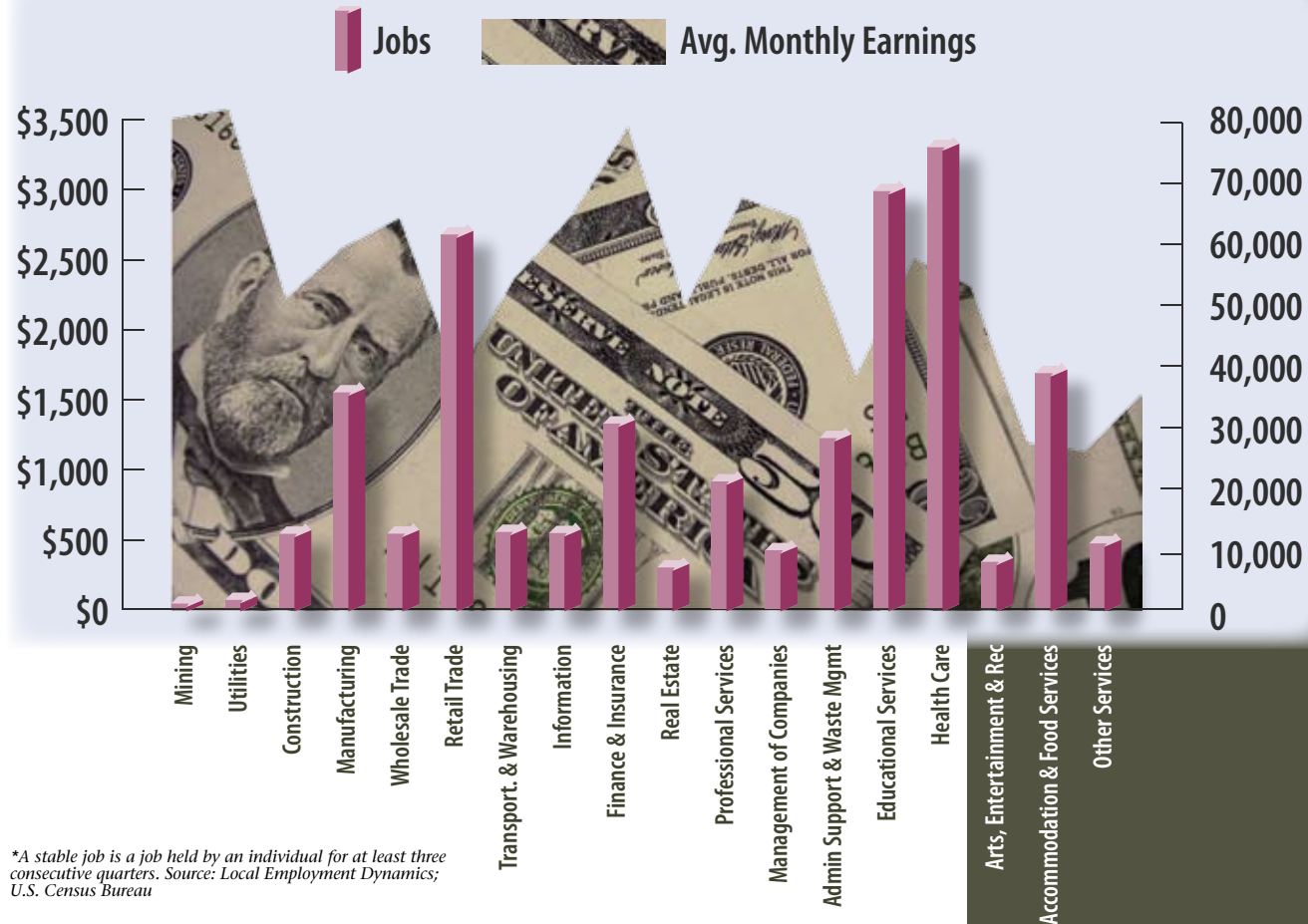
Women were least represented in the mining, utilities, and real estate industries. Low numbers in mining and utilities are not surprising based on traditional gender norms of the labor market, but are interesting in the fact that the average wages for the women currently in those industries are among the highest.

A relatively low number of female job holders in real estate is unexpected. This could be explained by the fact that LED data counts jobs that are covered by the unemployment insurance program. Many real estate agents are statutorily exempt from the unemployment insurance program and, therefore, would not be counted.



# Female Stable Jobs\* and Earnings

by Major Industry • Utah 2005



Regarding wages, in what industries do women fall behind men the most? In 2005, the gender wage gap for stable jobs in Utah was largest in the finance and insurance industry. The second largest wage gap was in healthcare. In both of these industries the typical occupations are significantly disparate in the requisite training and education, which may explain the difference in wages. Also, LED data does not make adjustments for full- and part-time jobs, which could also explain the wage disparity.

Do younger women work in the same industries that older women do? In 2005, a majority of the youngest female job holders in Utah (14-21 years) worked in retail trade or accommodation and food services.

Healthcare is the most popular industry for women age 22-44, while education services is the most popular for the 45-64 age group. The difference in industry representation for younger versus older women in Utah is partly explained by the training level necessary for the most typical occupations in those industries.

LED provides a new dimension on which to evaluate women in the labor market, and although most results were not surprising, the data does support previously held beliefs about the shape of the Utah labor force. ①

*In 2005, the gender wage gap for stable jobs in Utah was largest in the finance and insurance industry.*

# Washington County

Washington County—in recent years those two words have become almost synonymous with rapid growth. Rightly so. The county has consistently ranked among the fastest growing counties in Utah for years. Now, Utah's Dixie is getting national attention. Recent press releases from U.S. data-gathering agencies often mention the St. George, UT metropolitan statistical area (Washington County). Why all the attention now? The county's recent designation as a metropolitan statistical area (MSA) includes it in many new data-collection programs. Utah now shares its knowledge of Washington County's hot economy with the rest of the nation. ⓘ

For more information:

<http://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do>

• In November 2006, the Bureau of Labor Statistics ranked the St. George, UT Metropolitan Statistical Area (MSA) second for job growth (behind only hurricane-ravaged New Orleans).

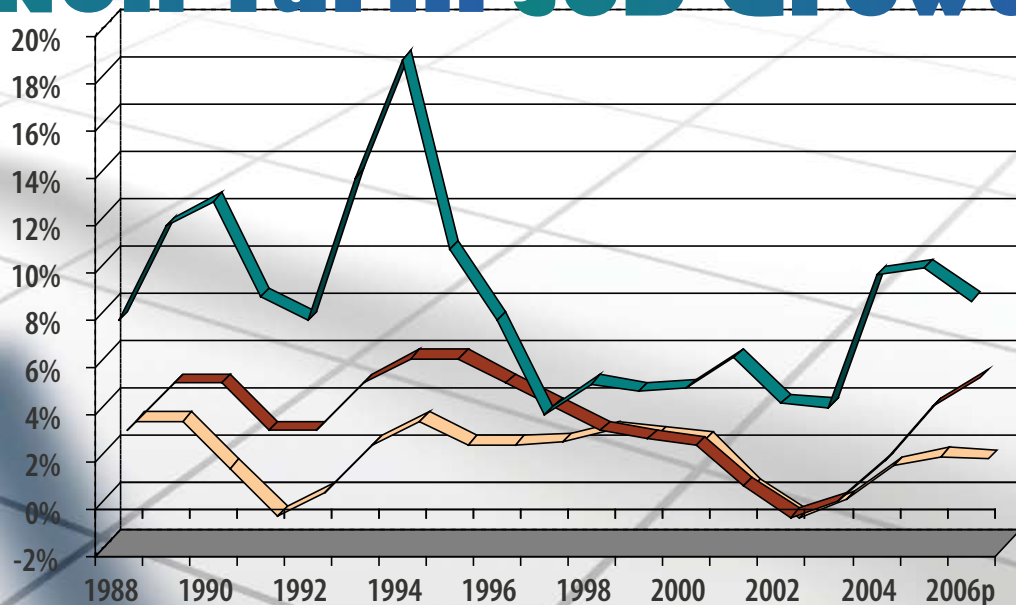
• The Census Bureau ranked the St. George, UT MSA population as the second-fastest growing in the nation for 2004-2005.

• In September, the Federal Office of Housing Oversight ranked the St. George MSA ninth for home-price appreciation in the U.S.

• The St. George, UT MSA had the 10<sup>th</sup> lowest 2004 per capita personal income among U.S. metropolitan areas.

did you know?

## Non-farm Job Growth



Source: Utah Department of Workforce Services; U.S. Bureau of Labor Statistics.

p = preliminary

## Child care providers in Utah are paid lower than the national average

# Child Care

**W**hy should Utahns care about child care? Here are a few reasons:

- The child care industry is an important contributor to Utah's economy. The 2005 payroll in this industry topped the \$52 million mark and provided over 4,000 workers to some 400 child care centers (with employees on the payroll) in Utah.
- Our future depends on the cognitive, social, and emotional preparedness of our children and youth. Children in high quality child care demonstrate greater mathematical ability, greater thinking and attention skills, and display fewer behavioral problems than children in lower-quality care. They stay in school and perform better academically.
- Access to child care allows parents to stay at work and stay off the welfare rolls. Nearly half the people who pay for child care in Utah say they would have to reduce their work hours or quit altogether if that care were not available.

A recent independent study on the state of child care in Utah—its supply, demand, and effect on Utah's economy—illustrates the need for high quality child care in Utah.

### **Some key findings:**

- Although Utah has the 11th highest household income in the United States, wage levels for the child care industry in Utah are very low, falling below the national average for workers in the same field. The average hourly wage for a child care worker in Utah is about \$7.60, which is even less than a parking lot attendant who makes an average wage of about \$7.90 an hour.
- Among 435 employment sectors in Utah, child care ranks 46th in total employment (about 8,000 workers), 126th in annual gross receipts (about \$250 million), and 433rd in wage level.
- The great demand for quality child care in Utah will

only continue to grow: Utah has the highest birthrate in the country, the youngest population in the country, and the second-highest ratio of school-age children to adults. Quality, as well as availability, of child care is important to Utah's economy. High quality child care helps reduce employee absenteeism and turnover.

Helping produce tomorrow's adults, bolstering the economy today, and providing independence for families positively impacts all of Utah society.

For more information, see occupational wages at [jobs.utah.gov/jsp/wi/utalmis/](http://jobs.utah.gov/jsp/wi/utalmis/) or see the Office of Child Care Annual Report at <http://jobs.utah.gov/occ/>

*Helping produce tomorrow's adults, bolstering the economy today, and providing independence for families positively impacts all of Utah society.*





## Creating a Talent Pipeline for Utah's Engineering Companies

Whether it is working on the latest in avionic technology or designing a new environmental habitat at the zoo, engineers are the heartbeat of Utah's growing economy.

Well-compensated, highly-skilled engineering jobs are helping fuel Utah's hot economy. Typical compensations fall between \$45,000 annually for a new engineering graduate to over six figures for a seasoned engineer with ten-plus years of experience. Nationally and in Utah, the need for engineering talent has increased significantly over past few years. Engineers of all specialties and fields are needed within a wide variety of industries and locations. "We can't educate and train engineers fast enough," says Jason Perry, Executive Director, Governor's Office of Economic Development (GOED). "It is estimated that within the state over 1000 engineers will be needed in the next 12 to 18 months."

Although Utah's universities pump new engineering graduates into the pipeline each year, companies also need experienced people with

mid- or senior-level engineering skills. Where do companies find experienced engineering talent? Historically, companies have recruited from other local businesses. "While it is wonderful to have career mobility available to in-state engineers, it is important to realize that the net need in the state remains the same," explains Pat Vaughn, Director of Talent Access Programs at the Governor's Office of Economic Development. When an engineer moves within the state from company A to company B, there still remains an engineering vacancy that will need to be filled. With low unemployment rates, and the increased need for experienced engineering talent, the ability to attract new engineers into the state becomes paramount.

GOED has taken steps to help Utah companies address the engineering shortage by enabling companies to recruit from new, untapped talent sources. A taskforce consisting of the Governor's Office of Economic Development, Department of Workforce Services, Department of Commerce, Economic Development Corporation of Utah, the Salt Lake Chamber of Commerce and various industry representatives has been brainstorming potential solutions. The result is the creation of a GOED-sponsored Engineering Recruitment Initiative (ERI).

The basic concept of the ERI is to reach out to experienced, engineering talent currently working outside Utah. The ERI Task Force believes there

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# ***“We can’t educate and train engineers fast enough.”***

*Jason Perry, Executive Director, Governor’s Office of Economic Development (GOED)*

is quality talent eager to live and work in Utah. Most likely, these individuals are employed and not actively job seeking, so it becomes important to find a convenient way to communicate the message that Utah has engineering positions available. The ERI is looking at engineers who may have been educated in Utah but now work out of state.

Perhaps there are engineers raised in Utah who attended universities outside of Utah, found jobs elsewhere and would like to return if there were quality positions for them. Frequently, people come to Utah to vacation or visit friends and indicate how they would love to leverage their career here if there were suitable opportunities. The ERI wants to reach out to these individuals and encourage them to explore the wide variety of engineering positions now available in Utah.

To accomplish this, the ERI will be tapping into university alumni, professional organizations, and business community networks. The ERI encourages everyone to help spread the word that Utah is the place for career opportunities! ①

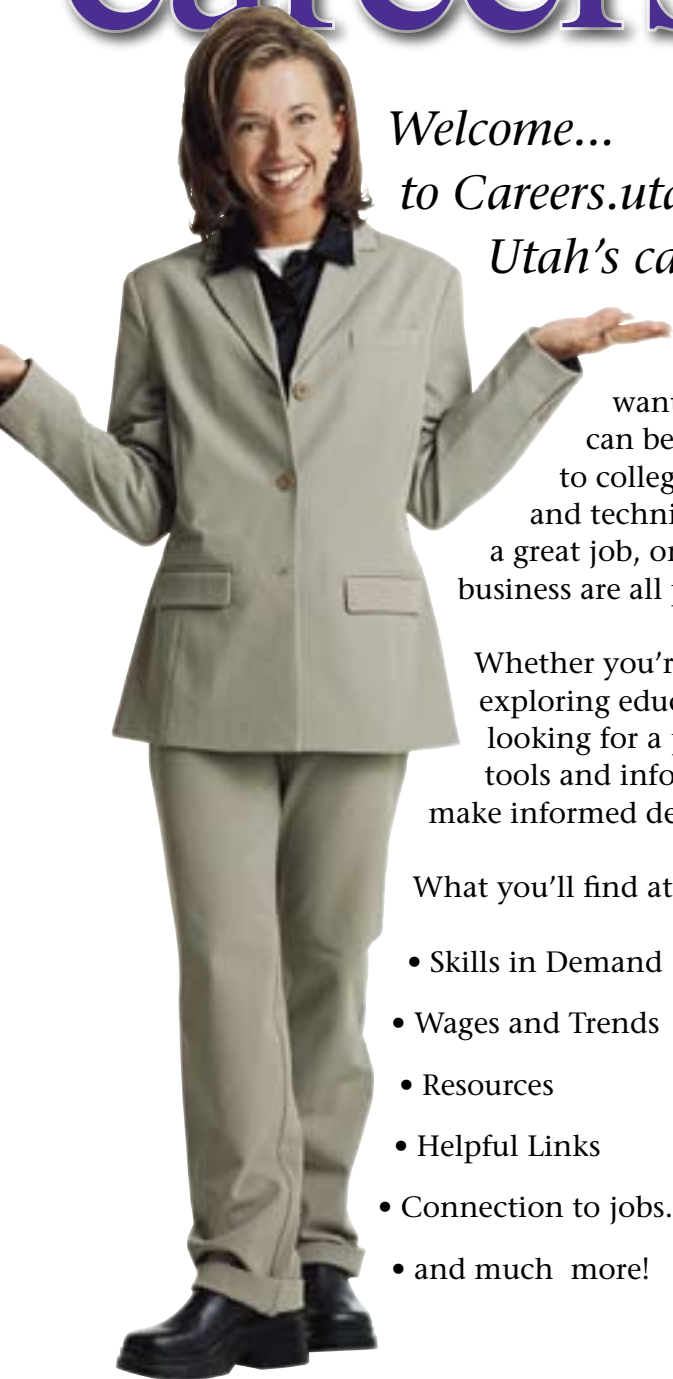
## ***How You Can Help...***

- Tell friends and family about this article
- Submit resumes directly to: [resumes@utah.gov](mailto:resumes@utah.gov)
- Sample engineering positions at: [www.accesstotalent.com](http://www.accesstotalent.com)
- Apply directly on line at: [www.jobs.utah.gov](http://www.jobs.utah.gov)
- Send letters of inquiry to: [TAPintoUtah@utah.gov](mailto:TAPintoUtah@utah.gov) or for information about the Talent Access Program go to [www.goed.utah.gov/TAP](http://www.goed.utah.gov/TAP)

## ***Why Don’t Utah companies hire more new graduates?***

Approximately 1800 engineers graduate from Utah schools annually. Employers quickly hire this fresh talent. Lisa Christensen, Assistant Director of University of Utah Career Services, says that engineering students with high academic standing, especially those with related experience, often receive offers months before they graduate. Although new college graduates are an essential aspect to filling the engineering pipeline, it often takes time for a newly graduated engineer to reach a sufficient level of productivity.

John Hill, Vice President, Human Resources at L-3 Communications explains that in order to succeed, a company must maintain a balance between new graduates and experienced talent. L-3 hired 75 engineers last year and currently has openings for 50 design engineers. He says it can take up to two years for a new graduate to come up to speed on the company’s technology and processes. Typically this is accomplished through training and mentoring by more experienced engineers. As a result, new graduates are hired in proportion to the anticipated long-term growth of the company.



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Deciding what you want to do with your life can be overwhelming. Going to college, enrolling in career and technical training, taking a great job, or starting your own business are all possibilities.

Whether you're investigating careers, exploring education and training, or looking for a job, this website has tools and information to help you make informed decisions.

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- Wages and Trends
- Resources
- Helpful Links
- Connection to *jobs.utah.gov*
- and much more!

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## Hot Jobs

Hot jobs posted on *careers.utah.gov* as of March 2007:

### ***Bachelor's Degree or Higher***

- Chief Executives
- Computer and Information Systems Managers
- Construction Managers
- Financial Managers
- Marketing Managers
- Mechanical Engineers
- Pharmacists
- Sales Managers

### ***More than High School, Less than a Bachelor's Degree***

- Appraisers and Assessors of Real Estate
- Bus and Truck Mechanics and Diesel Engine Specialists
- Civil Engineering Technicians
- Paralegals and Legal Assistants
- Real Estate Sales Agents
- Registered Nurses
- Respiratory Therapists

### ***On the Job Training***

- Electricians
- First-Line Supervisors/Managers of Mechanics, Installers, and Repairers
- Food Service Managers
- Plumbers, Pipefitters, and Steamfitters

just  
the  
facts...

### December 2006 Seasonally Adjusted Unemployment Rates

Beaver	2.4 %
Box Elder	2.4 %
Cache	2.2 %
Carbon	2.6 %
Daggett	3.4 %
Davis	2.6 %
Duchesne	2.5 %
Emery	2.5 %
Garfield	3.3 %
Grand	2.7 %
Iron	2.3 %
Juab	2.7 %
Kane	3.0 %
Millard	2.2 %
Morgan	2.6 %
Piute	2.7 %
Rich	1.9 %
Salt Lake	2.7 %
San Juan	4.4 %
Sanpete	2.8 %
Sevier	2.5 %
Summit	2.5 %
Tooele	2.6 %
Uintah	2.1 %
Utah	2.5 %
Wasatch	2.5 %
Washington	2.3 %
Wayne	2.6 %
Weber	3.0 %

### January 2007 Unemployment Rates

### Changes From Last Year

Utah Unemployment Rate	2.7 %	Down	1.4 points
U.S. Unemployment Rate	4.6 %	Down	0.1 points
Utah Nonfarm Jobs (000s)	1,215.3	Up	4.5 %
U.S. Nonfarm Jobs (000s)	135,102.0	Up	1.6 %

### December 2006 Consumer Price Index Rates

U.S. Consumer Price Index	201.8	Up	2.5 %
U.S. Producer Price Index	166.0	Up	1.8 %

Source: Utah Department of Workforce Services

Watch for these features in our  
**Next Issue:**

### Theme:

*Job Outlook for College Graduates  
and  
Summer Jobs for Youth*

### County Highlight:

*Utah*

### Occupation:

*Food Services*

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